

RESOLUTION NO.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The Council has reviewed and does adopt the attached City of Austin Fiscal Year 2021-2022 Investment Policy. There are several changes to the Investment Policy, most are minor clarifications or refinements as part of the City's annual update. There are three noteworthy changes from the Investment Policy adopted in Fiscal Year 2020-2021. Two changes are within the Investment Strategy Statement section of the policy, on page three, and would provide the City more investment opportunities for Operating Funds. The first change is to extend the weighted average maturity of the Operating Fund portfolio from 365 days to two years. The second change is to extend the stated final maturity date of the security purchases in the Operating portfolio from three years to five years. The third change on page 16 expands on Certification requirements for broker/dealers, financial institutions and business organizations. Minor clarifications and refinements within the Investment Policy include: the addition of consistent references to Chapter 2256 Public Funds Investment Act as "PFIA" or "the Act" throughout the policy; updating Assistant Treasurer titles to Deputy Treasurer throughout the policy; refinement of the first paragraph in Investment Objectives - Return on Investment on page two; removal of outdated sentence in Investment Strategy Statement - Debt Service Reserve Funds on page three; and clarification of Eligible Investments through addition of Federal Home Loan Banks as an Obligation of the United States or its agencies and instrumentalities on page four.

BE IT FURTHER RESOLVED:

The Council directs the City Manager to take such steps as are legally permissible and that do not have adverse operational impacts to ensure that the City does not directly invest in any company that is operating in contravention of the City Council's policy objectives set forth in Resolution No. 20180830-025 and Resolution No. 20180201-067. The Council recognizes that the City has no authority under the State Constitution or the

Texas Public Funds Investment Act to invest directly in any company in such a manner that the City would become a stockholder in the company.

BE IT FURTHER RESOLVED:

The Council directs the City Manager to take the steps identified above in a manner that is consistent with the requirements of the Texas Public Funds Investment Act (Texas Government Code Section 2256.005) to ensure understanding of the suitability of an investment for the City, and to primarily emphasize, in order of priority, preservation and safety of principal, liquidity, the marketability of an investment if the need arises to liquidate the investment, investment diversification, and yield.

ADOPTED: _____, 2021 **ATTEST:** _____
Jannette S. Goodall
City Clerk